CLASSIFICATION

CONFIDENTIAL CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

50X1-HUM

China

Economic - Fuels, energy

CD NO. DATE OF

INFORMATION 1950

HOW **PUBLISHED** 

Daily newspapers

DATE DIST & Apr 1950

WHERE

COUNTRY

SUBJECT

**PUBLISHED** 

Canton; Hong Kong

NO. OF PAGES

DATE

**PUBLISHED** 

25 Feb - 20 Mar 1950

SUPPLEMENT TO

LANGUAGE Chinese

REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Newspapers as indicated.

## SCORES WASTE IN ELECTRICAL INDUSTRY; PLANS TO INCREASE SOUTHERN COAL PRODUCTION

POINTS OUT DEFECTS IN ELECTRICAL SUPPLY -- Canton Nan-fang Jih-pao, 20 Mar 50

Peiping, 17 March (Hsin-hua) -- There are many cases of waste in our electrical industry. If these could all be corrected, the capacity for electricity production could be increased by 150 percent with existing plants and equipment. While industrial plants everywhere are short of current, the capacity of the power plants is by no means being employed to the best advantage.

A preliminary survey by the Northeast Electrical Industry Control Bureau has revealed that within the jurisdiction of that bureau there are idle production facilities capable of adding 45,000 kilowatts to the present output. This is equal to the capacity of the largest plant in North China, the one at the Shih-ching-shan (Ueda: 7954, 4558, 2528) Steel Works.

In 1949, in the Northeast, North China, and East China districts, where the most experienced technicians are found, electric plants produced only 65.1 percent of their actual capacity. In 1950, it is hoped to raise the output to 78.8 percent of capacity.

The responsibility for this unsatisfactory condition rests largely upon the cadres. They are not sufficiently progressive, or fail to obtain maximum production from their equipment for fear of ruining it. They do not make the necessary repairs to keep the machines up to capacity. Some of the cadres still have a capitalistic view of management problems and believe it economical to operate equipment only to a point somewhat below its full capacity. They do not realize that by so doing they are holding back dependent industries and thus hindering the development of the whole national economy.

Another defect is the low rate of utilization of power plant equipment. For example, last year in North China where the utilization was most efficient, only 28.4 percent of the possible utilization time for the year was taken advantage of. During 1950, it is hoped to raise this to 29.7 percent. This, however, falls far short of what might be considered a reasonably efficient utilization, and is only 40 percent of Soviet standards. If the effective utilization of the present plant

> - 1 -CONFIDENTIAL

		CLASSIFICATION	CONFIDENTIAL	
STATE	_ X NAVY	NSRB	DISTRIBUTION	
ARMY	AIR	FBI		

Sanitized Copy Approved for Release 2011/09/08: CIA-RDP80-00809A000600300499-5

Γ.

## CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

capacity of the publicly operated plants in the Northeast, North China, and East China were brought up to the optimum, production could exceed by 130 percent the plan for 1950, or the equivalent of the introduction into the system of a new plant capable of producing several tens of thousands of kilowatts of current.

During 1949, there were 3,368 interruptions in electric production in the Northeast and North China, of which 2,124 were in the Northeast. The resulting loss of energy was the equivalent of 470,000 tons of coal, sufficient to operate all the power plants in the Northeast for 6 months.

In 1950, interruptions in power supply have continued to occur. For example, there was an explosion in generator No 6 at the Shih-ching-shan power plant. After this was repaired, it was discovered that other machinery had also suffered damage, indicating that the cadres at this plant were lax in conducting inspections and in taking necessary precautionary measures. Damages to equipment and power lines in other areas have also been severe, causing losses of more than 50 percent in the total amount of power generated.

The Central Ministry of Fuel Industry made a study of the situation and offered several measures to cope with problems confronting the power industry. Measures to be taken include:

- Complete survey of power-generation equipment, after which excess equipment will be reported to the central government for centralized distribution.
- 2. Institution of a planned system of periodic inspection and repair of machinery. In this way, equipment may be maintained at a high rate of efficiency and a continuous flow of electricity guaranteed.
- 3. Establishment of an electricity supply-control system, by which agreements will be concluded between the local electricity control bureau and consumers of electricity. Amounts of electricity consumed and the period of time involved will be systematized into a payment schedule designed to broaden the use of electricity and encourage its use at appropriate times, such as night work in factories. Through publicity, consumers should be impressed with the importance of planned utilization of electricity.
- 4. Efforts should be made to stamp out all waste and inefficiency, and to raise gradually the present level of equipment efficiency, so that increases in production of 150 percent over 1950 plans may be realized in the future without appreciable addition of new equipment.

A few examples of the application of these principles confirms that they are capable of producing results. The No 3 boiler at the Tientsin plant had an earlier capacity of 5,000 kilowatts, but after inspection and repair, its capacity was raised to 10,000 kilowatts, the original capacity of the equipment. The Tsingtao Power Plant was also operating at half capacity until an organized system of inspection and repair restored its original efficiency. The Hsiao-feng-man plant mobilized its workers in a safety and maintenance drive and succeeded in setting a new record of 160 days of continuous operation without a mishap.

CCP AIMS TO INCREASE COAL PRODUCTION -- Hong Kong Wen-hui Pao, 25 Feb 50

Peiping, 23 February (Hsin-hua) -- The decisions of the Conference on Coal Problems conducted in December 1949 by the Central and South China regional authorities, and approved by the Central Ministry of Fuel Industry, call for a six-fold increase in the coal production of the mines of that region in 1950, compared with that in 1949.

Even at full capacity, the production of these mines falls 23.6 percent below the needs of the region, which consequently has to rely on the Northeast,

- 2 -

CONFIDENTIAL

CCITIZITIAL

## CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

North China, and other regions for the balance. Priority is to be given to completing the work on the new big shaft at the P'ing-hsiang mines, and to surveying the coal beds along the Hunan-Kwangsi-Kweichow railroad at Yung-shao (5957, 12147), those at P'ing-ting Shan (2899, 13296) in Honan, and at Tzu-ao (11373, 2010) on the southern section of the Wu-ch'ang--Canton railroad, in preparation for development to supply the needs of Canton and of the localities on the western section of the Lien-yun--Lan-chou railroad.

Most of the mines in the Central and South China District had resumed work in 1949, but due to the fact that rail transportation had not yet been restored, stocks of coal accumulated at the mines. Furthermore, since the rate of production averaged not over 0.1 ton per man-day, the cost of production was much higher than in the northern mines. The aims for 1950 at the P'ing-hsiang mines will be to increase the production efficiency by 50-100 percent and to reduce costs by 27 percent of the average cost in the last quarter of 1949.

EXPLOSION REPORT INCLUDES MINE STATISTICS -- Canton Nan-fang Jih-pao, 15 Mar 50

Pei-p'ing, 13 March (Hsin-hua) -- According to a report carried by the Pei-p'ing Jen-min Jih-pao on 13 March, a severe coal-gas explosion occurred 27 February 1950 in the I-lo coal mine in Honan Province, and caused a large number of casualties. The blast took place at 1800 hours when all of the 300 miners were at work below surface. The cause of the disaster is being studied by several central and regional agencies and the All-China Federation of Labor.

The I-lo mine is located 35 kilometers southwest of Lo-yang. Formerly a provincially operated mine, it was placed under national control in December 1949. The mine employs 300 workers and produces 200 tons of coal per day. The extraction process is partially by hand and partially by machinery.

FU-SHUN KEROSENE ON SALE IN NORTH CHINA -- Hong Kong Kung-shang Jih-pao, 25 Feb 50

Hong Kong, 24 February -- A recent arrival in Hong Kong from North China reported that kerosene produced from Fu-shun coal is being sold in Tientsin at a price 30 percent less than kerosene imported from the US. A Communist newspaper in Tientsin claimed that although this kerosene creates heavy smoke, its quality is better than imported oil.

- E N D -

- 3 -

CONFIDENTIAL.

CONFIDENTIAL